

**MINUTES
REGULAR MEETING
RETIREMENT BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE
AND PARISH OF EAST BATON ROUGE
JUNE 25, 2020**

The regular meeting of the Retirement Board of Trustees was held in the Metropolitan Council Chambers at 222 St. Louis Street, due to social distancing requirements, and was called to order at 10:04 a.m. by Board Chairman Ms. Marsha Hanlon. Members present: Mr. Joseph Toups, Mr. Brian Bernard, Sgt. Neal Noel, and Mr. Britt Hines. Absent: Mr. Mark LeBlanc and Mr. David West. Staff participating: Mr. Jeffrey Yates, Mr. Russell Smith, Mr. Kyle Drago, and Mr. Mark Williams. Others participating: Ms. Rebecca Wisbar – legal counsel.

Mr. Kyle Drago formally called the roll.

The chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of May 28, 2020, and called for a motion.

Motion by Mr. Toups, seconded by Ms. Hanlon to suspend the reading of, and approve the minutes of the regular meeting of May 28, 2020 as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 2, Disability, there were no applications for consideration for disability retirement.

The next item on the agenda was Item 3, Benefits Report, and the chairman called on Mr. Yates to present the report. Mr. Yates stated that the report was in order as presented, and that the staff had prepared the report in advance, and had reviewed it prior to the meeting. He noted that some of the DROP entries date back to April because of delays caused by the pandemic. He stated that he would answer any questions.

Motion by Mr. Bernard, seconded by Mr. Toups to approve the Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary.

The chairman then moved to Item 5, Consultants' Reports, and recognized Ms. Wisbar for her report. Ms. Wisbar stated that her report showed updated information highlighted in yellow. She proceeded to give the status of each securities litigation, and noted that in some cases court procedures and deadlines had been delayed because of the effect of the pandemic. Ms. Wisbar gave updates in the litigations with MacroGenics, Greensky, and Impinj, in which a settlement is being made. She also gave updates in the Energy Transfer, LP case, and the Merit Medical case. She also noted the St. George legislation, and that nothing affecting CPERS was proposed. No Board action was necessary for the items presented.

The next item was Item 6, Committee Reports, and under Item 6B, Investment Committee Reports, the chairman called on Mr. Toups for his report. Mr. Toups stated that an Investment Committee meeting was held June 16, 2020, with Jon Breth and Chris Brokaw attending by phone conference. AndCo presented the first quarter investment performance of -13.69% for CPERS and -10.75% for the PGT. Assets for CPERS and PGT totaled \$1,002,825,705 and \$12,188,081 respectively. AndCo noted that the months of April and May recaptured much of the loss, and currently leaves the System with a loss of about 5.8%. The committee passed a motion to recommend to the full Board that AndCo's proposed changes to the PGT asset allocation be approved. The committee also passed a motion to recommend to the full Board that PIMCO be hired to manage the PGT's Multi-Sector Global Fixed-Income allocation, as recommended by AndCo. Thirdly, the committee passed a motion to recommend to the full Board that BlackRock be hired to manage the PGT's Global Tactical Asset Allocation, as recommended by AndCo. AndCo also reviewed the PGT rebalancing plan, and showed the details of the plan for achieving the new asset allocation. Finally, AndCo recommended that DFA be put on a watch list for performance reasons, and that Sprucegrove be put on a watch list because of performance and managerial issues.

Motion by Mr. Toups, seconded by Mr. Bernard to accept the changes proposed by AndCo regarding the PGT asset allocation.

No discussion and no objections.

Motion passed by those members present.

Motion by Mr. Toups, seconded by Ms. Hanlon to approve hiring PIMCO to manage the Multi-Sector Global Fixed-Income allocation for the PGT, as recommended by AndCo, contingent upon successful contract negotiations.

No discussion and no objections.

Motion passed by those members present.

Motion by Mr. Toups, seconded by Mr. Bernard to approve hiring BlackRock to manage the Global Tactical Asset Allocation for the PGT, as recommended by AndCo, contingent upon successful contract negotiations.

No discussion and no objections.

Motion passed by those members present.

Moving to Item 7, Staff Reports, the chairman noted that under Item 7C, there were invoices from the law offices of Akers & Wisbar, LLC that needed approval for payment.

Motion by Mr. Toups, seconded by Sgt. Noel to approve payment for the charges to the law firm of Akers & Wisbar, LLC, as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7D, there was an invoice from the Law Offices of Tarcza & Associates that needed approval. The invoice covered research and an opinion regarding the CARES Act, and the possibility of suspending Required Minimum Distributions in light of the COVID-19 pandemic. Mr. Smith explained the member issue that necessitated the legal opinion.

Motion by Mr. Toups, seconded by Mr. Bernard to approve payment for the charges to the law firm of Tarcza & Associates, as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7E there were invoices from the actuarial firm of Foster & Foster

Motion by Mr. Toups, seconded by Mr. Bernard to approve payment for the invoices submitted by the actuarial firm of Foster & Foster for actuarial services as presented.

Under discussion Mr. Smith noted that these invoices also included charges for the PGT reports as well as for CPERS.

There were no objections to the motion.

Motion passed by those members present.

Under 7F, there were a number of investment manager/consultant invoices for the Board's review.

Under 7H, Presentation of CPERS 2019 Financial Statements, Mr. Drago gave a brief overview of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position for 2019, as well as the year-to-date budget report. Mr. Yates singled out Mr. Drago for doing an excellent job in working with the auditors and the actuary, and for working at the office, even during the weeks of the shelter-at-home order.

Under Item 8, Unfinished Business, there were no matters to address.

Under Item 9, New Business, the chairman introduced item 9A, Procedure for Regular Employee Board Representative Runoff Election, and recognized Mr. Yates for his comments. Mr. Yates stated that the primary election results had resulted in a need for a runoff election between Mr. Brian Bernard and Mr. Cory Wilson. When City-Parish offices closed in March because of the pandemic, the prudent thing to do was to defer the runoff election until the offices reopened. This would allow the candidates the opportunity to campaign if they desired to do so. Because of the delay, it also became necessary to generate a refreshed list of eligible voters. Mr. Yates stated that he wanted the Board to give authority to the Election Committee to establish a revised calendar of dates for all the election procedures. Mr. Smith stated that he would verify that all offices for the City-Parish and for BREC have reopened, and that the printing firm that prints the ballots, and CPA firm that counts the votes are available for the runoff election.

Motion by Mr. Toups, seconded by Mr. Hines to give authority to the Election Committee to approve the election procedures and a revised calendar of dates for the election processes for the runoff election for the regular member representative election currently held by Mr. Bernard.

No discussion and no objections.

Motion passed by those members present, with the exception of Mr. Bernard who abstained.

The next item on the agenda, was Item 9B, Consideration of 2020 Supplemental Benefit Payment (SBP) Declaration, and chairman recognized Mr. Yates. Mr. Yates noted a page from the actuarial valuation of Foster & Foster in which the current balance for the SBP reserve is shown as \$2.8 million. He noted that the Board in prior years had authorized payment not to exceed two-thirds of that balance. Under this scenario, the maximum that could be paid for the SBP in 2020 would be \$1.9 million. He went on to state that the estimate for the SBP actual payment this year was about \$1.4 million, which is well below the Board's maximum guideline. He estimated about 2,025 members would receive the payment. Mr. Yates briefly reviewed some of the criteria that must be met in order for a member to be eligible for the SBP.

Motion by Mr. Bernard, seconded by Mr. Hines to authorize the payment of the Supplemental Benefit Payment (SBP) in September of 2020 in accordance with established limits and criteria.

No discussion and no objections.

Motion passed by those members present, with the exception of Mr. Toups who abstained.

Under Item 10, Administrative Matters, there were no matters to be addressed.

The chairman then continued with Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that the report was in order as presented.

Motion by Sgt. Noel, seconded by Mr. Toups to approve the PGT Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11B, the chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required.

Item 11C, Consultants' Reports, there were no items to address.

There were a number of investment manager invoices under Item 11D.1 for the Board's review.

Under Item 11D.2 there were no invoices to address.

Under Item 11D.3, PGT Cash Activity Report, it was noted that the report would be suspended until after the actuarial valuation was completed.

Moving to Item 11D.4, Presentation of PGT 2019 Financial Statements, the chairman recognized Mr. Drago who noted that these statements were the PGT equivalent of the statements previously presented, and that he would answer any question regarding them.

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

Seeing no further items on the agenda, the chairman called for a motion to adjourn.

Motion by Sgt. Noel, seconded by Ms. Hanlon to adjourn at 10:35 a.m.

No discussion and no objections.

Motion passed by those members present.

**MARSHA HANLON
CHAIRMAN, RETIREMENT BOARD OF TRUSTEES**

**JEFFREY R. YATES
RETIREMENT ADMINISTRATOR**